by NATO and Warsaw Pact countries to a ceiling which is the same for both sides.

(2) The report shall address possible force reduction scenarios for a second round of CFE negotiations and shall be based upon two different assumptions with regard to the level of reductions in personnel and equipment to be made. Under the first assumption, personnel and equipment would be reduced to a level 25 percent below current NATO levels. Under the second assumption, personnel and equipment would be reduced to a level 50 percent below current NATO levels.

(3) The report shall include the following:

(4) A comprehensive net assessment of the current balance between NATO forces and Warsaw Pact forces and of the overall trends in that balance, including an assessment of the trends in active and reserve forces and in total equipment holdings in stationed and indigenous forces.

(5) A description of the likely alternative force postures that could be adopted by member nations of both alliances (particularly by the United States and the Soviet Union) under each of the assumptions analyzed, together with a description of the possible effects of restructuring of both NATO and Warsaw Pact forces in Europe for defensive purposes.

(6) A statement of the costs (or savings) to the United States, over at least a seven-year period, estimated to be associated with each force posture described under subparagraph (B), together with an analysis of how those costs (or savings) were determined.

(7) An analysis of the implications for NATO strategy, security, and military policy under each of the reduction levels referred to in paragraph (2), including a net assessment of the resulting balance between NATO forces and Warsaw Pact forces.

(E) An assessment of the effects under each of the reduction levels referred to in paragraph (2) (including the alternative force postures under each assumption) upon the stability of the conventional balance of forces in Europe.

(F) An assessment of the ability of NATO to defend Europe under each of the assumed reduction levels in the event of an attack by the Warsaw Pact (i) on short warning, or (ii) during a crisis in Europe.

(G) An assessment of the effects under each of the reduction levels referred to in paragraph (2) on—

(i) the short-range nuclear force requirements of NATO;

(ii) the requirements of the United States for POMCUS and war-reserve stocks;

(iii) the requirements of NATO for airlift and sealift based in the United States and for reinforcing units from the United States: and

(iv) the ability of the United States to meet global military requirements.

SEC. 903. REPORT ON VERIFICATION MEASURES FOR POSSIBLE CONVENTIONAL ARMS CONTROL AGREEMENT

(a) REPORT.—The President shall submit to Congress a report on the types of measures that would be required to verify the proposal of U.S. President for reductions in conventional forces in Europe adopted by the